and its sister concerns which has subsisting contracts(s) with Ministry of Defence;

(iii) If the proposed appointment calls for marketing or liaison with defence establishments, such an appointment shall not be permitted;

(iv) Appointments with companiesfirms which operate in sensitive areas of defence procurement or which have subsidiary firms having contracts with Ministry of Defence shall not be permitted; and

(v) Appointment with foreign Governments or foreign firms shall not be allowed (such restriction shall apply to only foreign companies *per se* and foreign companies investing in India, but not Indian companies entering into foreign collaboration. Apart from this, only those foreign companies shall be excluded, for purposes of commercial employment, which operate in the Defence Sector).

Defence Procurement

4446. SHRI RUMANDLA RAMACHANDRAIAH:
SHRI H. K. JAVARE GOWDA: Will the Minister of DEFENCE be pleased to state:

(a) the procedure in the service Headquarters for procurement of defence equipment;

(b) whether any specific procurement demands are made or specify qualitative requirements are specified;

(c) at what stage field trials are made before inviting purchase bids and when price negotiating begin;

(d) whether Government propose to review the procurement systems; and

(e) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) The procurement of equipment for meeting the requirements of the Armed Forces is carried out in accordance with the provisions of Defence Procurement Procedure 1992, as modified from time to time.

(b) Induction of all new equipment for the Armed Forces is undertaken on the basis of 'Qualitative Requirements' (QRs) finalised by the users *inter alia* in consultation with Defence

Research and Development Organisation and the respective quality assurance/inspection agency

(c) Whenever considered necessary and feasible, the equipment is trial evaluated, as part of its technical evaluation, after both technical and commercial bids have been obtained. Commercial bids of only those vendors are opened, who meet the technical requirements. After opening the commercial bids, a comparative statement of prices is prepared and commercial negotiations held with the lowest bidder.

(d) and (e) The Government continuously endeavours to effect improvements in the structures, processes and procedures related to Procurement. The Group of Ministers (GoM) constitued on 17th April, 2000 by the Government has recommended a series of measures, including the creation of a separate and dedicated institutional structure *i.e.* the Defence Procurement Board, to undertake the entire gamut of procurement related functions in a more professional, coordinated and cost effective manner. The recommendations of the GoM have been presented to the Prime Minister on 26.2.2001. After examination and acceptance of the Report by the Government, action as required will be taken expeditiously.

Talks with Myanmar on Cooperation in Hydro-carbon Sector

4447. SHRI RAMDAS AGARWAL: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether he and the Chairman of Myanmar in SPDC (State Peace and Development Council) held talks recently in Myanmar for cooperation in the hydro-carbon sector including the supply of natural gas to India;

(b) whether New Delhi is sending any high-level expert-delegation to Myanmar shortly to explore the possibilities in this regard, as reported in the 'Hindustan Times' dated 18th February, 2001;

(c) if so, the likely gas pipeline routes from Myanmar linking to India; and

(d) the details of the availability of crude oil/natural gas from the proven fields?